

Senate File 2078 - Introduced

SENATE FILE 2078

BY HORN

A BILL FOR

1 An Act relating to property taxation by providing a property
2 assessment adjustment for certain persons, applying income
3 limitations, providing a penalty, and including retroactive
4 and other applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **425B.1 Homestead assessed value**
2 **adjustment — purpose.**

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for an
5 adjustment in the assessed value of their homesteads, as
6 provided in this chapter, to prevent an increase in such
7 values.

8 Sec. 2. NEW SECTION. **425B.2 Definitions.**

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "*Assessed value*" means the actual value prior to any
12 adjustment pursuant to section 441.21, subsection 4.

13 2. "*Base assessment year*" means the assessment year
14 beginning in the base year.

15 3. "*Base year*" means the calendar year last ending before
16 the claim is filed.

17 4. "*Claimant*" means a person filing a claim for adjustment
18 under this chapter who is domiciled in this state at the time
19 the claim is filed or at the time of the person's death in the
20 case of a claim filed by the executor or administrator of the
21 claimant's estate.

22 5. "*Homestead*" means the dwelling owned and actually used
23 as a home by the claimant during any part of the fiscal year
24 beginning July 1 of the base year and so much of the land
25 surrounding it, including one or more contiguous lots or tracts
26 of land, as is reasonably necessary for use of the dwelling
27 as a home, and may consist of a part of a multidwelling or
28 multipurpose building and a part of the land upon which it is
29 built. It does not include personal property except that a
30 manufactured or mobile home may be a homestead. Any dwelling
31 or a part of a multidwelling or multipurpose building which is
32 exempt from taxation does not qualify as a homestead under this
33 chapter. A homestead must be located in this state. When a
34 person is confined in a nursing home, extended-care facility,
35 or hospital, the person shall be considered as occupying or

1 living in the person's homestead if the person is the owner
2 of the homestead and the person maintains the homestead and
3 does not lease, rent, or otherwise receive profits from other
4 persons for the use of the homestead.

5 6. "*Household*" means the same as defined in section 425.17.

6 7. "*Income*" means any form of payment due an individual,
7 regardless of source, including but not limited to wages,
8 salaries, commissions, bonuses, workers' compensation,
9 disability payments, payments pursuant to a pension or
10 retirement program, payments received under the federal Social
11 Security Act, and interest. "*Income*" does not include gifts
12 from nongovernmental sources, or surplus foods or other relief
13 in kind supplied by a governmental agency or nongovernmental
14 source.

15 8. "*Owned*" means owned by an owner as defined in section
16 425.11.

17 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

18 The right to file a claim for an assessed value adjustment
19 under this chapter may be exercised by the claimant or on
20 behalf of a claimant by the claimant's legal guardian, spouse,
21 or attorney, or by the executor or administrator of the
22 claimant's estate. If a claimant dies after having filed a
23 claim for adjustment, the amount of any adjustment shall be
24 made as if the claimant had not died.

25 Sec. 4. NEW SECTION. 425B.4 Claim for adjustment.

26 1. Subject to the limitations provided in this chapter,
27 a claimant may annually claim an adjustment of the assessed
28 value of the claimant's homestead for the base assessment year.
29 The adjustment claim shall be filed with the county assessor
30 between January 1 and February 15 immediately following
31 the close of the base assessment year. However, in case of
32 sickness, absence, or other disability of the claimant, or
33 if in the judgment of the county assessor good cause exists,
34 the county assessor may extend the time for filing a claim for
35 adjustment through June 30 of the same calendar year.

1 2. The county assessor shall notify the department of
2 revenue by March 1 of the number of claimants receiving
3 adjustments under this chapter and the total amount of the
4 reduced assessed values for the base assessment year.

5 Sec. 5. NEW SECTION. **425B.5 Qualification and adjustment**
6 **— maximum tax dollars levied.**

7 1. If the household income qualification specified in
8 subsection 2 is met, the assessed value of the claimant's
9 homestead in the base assessment year shall be adjusted, but
10 not increased, to equal the assessed value, as such assessed
11 value may have been adjusted pursuant to this chapter, in the
12 assessment year preceding the base assessment year. If the
13 amount of property taxes levied against the adjusted assessment
14 exceed the amount of property taxes levied against the property
15 in the fiscal year for which taxes were first levied against
16 an adjusted assessment under this chapter, the treasurer shall
17 subtract the difference from the amount due.

18 2. A claimant is eligible for an adjustment to the assessed
19 value of the claimant's homestead if the claimant's household
20 income consists solely of payments received under the federal
21 Social Security Act in the base year.

22 Sec. 6. NEW SECTION. **425B.6 Administration.**

23 The director of revenue shall make available suitable forms
24 for claiming an assessed value adjustment with instructions
25 for claimants. Each assessor and county treasurer shall make
26 available the forms and instructions. The claim shall be in a
27 form as the director may prescribe.

28 Sec. 7. NEW SECTION. **425B.7 Proof of claim.**

29 1. Every claimant shall give the department of revenue, in
30 support of the claim, reasonable proof of:

- 31 a. Changes of homestead.
- 32 b. Household membership.
- 33 c. Household income.
- 34 d. Size and nature of the property claimed as the homestead.

35 2. The director of revenue may require any additional proof

1 necessary to support a claim.

2 Sec. 8. NEW SECTION. **425B.8 Audit — denial.**

3 If on the audit of a claim for adjustment under this chapter,
4 the director of revenue determines the claim is not allowable,
5 the director shall notify the claimant of the denial and the
6 reasons for it. The director shall not deny a claim after
7 three years from October 31 of the year in which the claim was
8 filed. The director shall give notification to the county
9 assessor of the denial of the claim and the county assessor
10 shall instruct the county treasurer to proceed to collect the
11 tax that would have been levied on the applicable adjusted
12 assessed value in the same manner as other property taxes
13 due and payable are collected, if the property on which the
14 adjustment was granted is still owned by the claimant.

15 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

16 1. A claimant shall expressly waive any right to
17 confidentiality relating to all income tax information
18 obtainable through the department of revenue, including all
19 information covered by sections 422.20 and 422.72. This waiver
20 shall apply to information available to the county assessor who
21 shall hold the information confidential except that it may be
22 used as evidence to disallow the assessed value adjustment.

23 2. The department of revenue may release information
24 pertaining to a person's eligibility or claim for or receipt of
25 the assessed value adjustment to an employee of the department
26 of inspections and appeals in the employee's official conduct
27 of an audit or investigation.

28 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

29 A person who makes a false affidavit for the purpose of
30 obtaining an adjustment in assessed value provided for in
31 this chapter or who knowingly receives the adjustment without
32 being legally entitled to it or makes claim for the adjustment
33 in more than one county in the state without being legally
34 entitled to it is guilty of a fraudulent practice. The claim
35 for adjustment shall be disallowed in full and property tax

1 shall be levied on the disallowed adjustment at the rate that
2 would have been levied but for the adjustment. The director of
3 revenue shall send a notice of disallowance of the claim.

4 Sec. 11. NEW SECTION. **425B.11 Statutes applicable.**

5 To the extent not otherwise contrary, the provisions of
6 sections 425.30, 425.31, 425.32, and 425.37 apply to this
7 chapter.

8 Sec. 12. **RETROACTIVE APPLICABILITY.** This Act applies
9 retroactively to January 1, 2012, for assessment years
10 beginning on or after that date and to the filing of claims on
11 or after January 1, 2013, for adjustments of assessed values.

12 EXPLANATION

13 This bill relates to property taxation by allowing
14 adjustments to certain homesteads based on income limits.

15 The bill provides for an adjustment in the assessed value of
16 a homestead if the owner's household income consists solely of
17 payments received under the federal Social Security Act. If
18 the qualification is met, the assessed value of the homestead
19 upon which property taxes are levied in a fiscal year is the
20 same assessed value as for the previous fiscal year. Assessed
21 value is that value prior to any rollback being applied.

22 The bill provides that a person who makes a false affidavit
23 for the purpose of obtaining an adjustment, knowingly receives
24 the adjustment without being legally entitled to it, or makes
25 claim for the adjustment in more than one county without being
26 legally entitled to it is guilty of a fraudulent practice and
27 is subject to a criminal penalty.

28 The bill applies retroactively to January 1, 2012, for
29 assessment years beginning on or after that date and applies to
30 claims filed on or after January 1, 2013, for the adjustments.